



**CITY OF HART  
407 S. STATE ST.  
HART, MI 49420  
COUNCIL PROCEEDINGS  
November 9<sup>th</sup> 2021  
MINUTES – Approved**

**PRESENT:** Mayor Vicki Platt, Councilors: Jim Evans, Amanda Klotz, and Fred Rybarz

**ABSENT:** Catalina Burillo, Dean Hodges, and Kris Trygstad

**OTHERS PRESENT:** City Manager – Rob Splane, City Clerk – Karla Swihart, BioPure Superintendent – Paul Cutter, Police Chief – Juan Salazar, Sharon Hallack, Gale Goldberg, Mary Lou Phillips, Kay Butcher, Dennis Powers and Terry Dykema

Mayor Platt called the meeting to order; following the roll call, the mayor led the Council in the pledge of allegiance.

**APPROVAL OF AGENDA:** F. Rybarz motioned to approve the agenda and was supported by J. Evans

- Ayes: 4 Nays: 0 Absent: 3

**PUBLIC COMMENTS:** None

**CORRESPONDENCE, EVENTS, PRESENTATIONS:**

- i. Presentation – Chief Salazar, Hart Police Department.
  - Police Chief Salazar would like to recognize Officer Mantyck, On Friday August 20<sup>th</sup>, 2021, Officer Mantyck was dispatched to the 300 block of east main street to an armed suicidal subject. Officers arrived on scene with attempt to contact the man, as the officer moved from the front door the subject opened the door and tossed alive rifle round onto the ground at officers. After some time, the subject did exit the home and was taken into custody. Officer Mantyck showed extraordinary heroism on this day and should be commended for an outstanding act of her performance. Officer Mantyck investigated this issue thoroughly without hesitation. At this time, I would like to present Officer Mantyck with American Police Hall of Fame General Accommodation Award for her outstanding action during this performance of her duties that day which was submitted by Sargent Skipski on behalf of the Hart Police Department.
- ii. Public Hearing – Proposed TIFA Plan.
  - J. Evans motioned to open Public Hearing on proposed TIFA plan and supported by F. Rybarz.
    - Ayes: 4 Nays: 0 Absent: 3
  - City of Hart TIFA board has been working on revision of 1983 TIFA plan. In 1983 the original plan was established with a base value of 4.7 million dollars. That’s inclusive with all the properties within the TIFA district that time the City chose to capture basically year over year increases of the increase value in the taxing jurisdiction. “Example in 1983 the value was 4.7 mil and in 1984 the value was 4.8 mil TIFA would capture revenue based on that \$100,000 of increase value, then from 1984 to 1985 if that value went from 4.8 mil to 4.9 mil TIFA would chose again to only capture that \$100,000 of increased value just over that calendar year”. It is a bit unusual to capture tax that way, but that is what they chose to do in 1983. TIFA did that going forward until 1997 when TIFA chose to extend the plan. In 1997 there was discussion as to the new base value of the taxing jurisdiction. In working with our legal advisors, they said it is very unusual to change the base value, typically the TIFA base values starts at one point, and it never changes. In order to change the base value, you need to adopt a new plan. In reviewing what TIFA did in 1997 there is no verbiage and no direction to say that they are establishing a new plan, all indications in the language of that 1997 action indicated that they intended to amend the plan and extend it for another 15 years, the same thing was done in 2012 extending that plan thru 2027. What TIFA is proposing at this time is that we continue to use that base value established in the 1983 plan which is in accordance with the state statute. TIFA is also looking to capture from base to current meaning if the base current valuation of the properties in the TIFA district was 10.7 mil they would look to capture the difference between the 4.7 mil and 10.7 mil bringing more revenue into TIFA. TIFA is doing this in pursuit of expanding the scope of the projects. In the revision also TIFA board made sure to better define

exactly what the TIFA district is, including every taxing unit within the district how properties are classified. TIFA is trying to establish a clear path on what has transpired from 1983 to 1997 to present. TIFA is also planning for major projects (capital improvements) including fresher design plans for the downtown area business district, enhancement of roadways, municipal water system and infrastructure improvements, as well as sewer systems etc. These projects are also part of the City's master plan so not intended to be taken action on, but in order to take action on any project it must be proposed in the TIFA plan, again a lot of these align with the original 1983 plan though a lot of them have not been looked at since the 80's. Also included in this plan are the jurisdictions which TIFA can chose to capture from. Historically TIFA captured from everyone minus 911 and Veterans. There is a provision in the statue as well as in this plan that the City could chose to enter into individual tax sharing agreements with any of the entities so if there was an entity that came to the City with a finance issue, they could approach the TIFA board and ask for some sort of exemption or tax sharing agreement to reduce the amount of tax captured. That is allowed and included in the state statue. The intent with this newer plan is that its written clearly with a background detail so that when 2027 rolls around when this plan expires anyone can sit down and understand exactly how TIFA works.

- Dennis Powers was on the original TIFA board when the 1983 plan was written and he explained what the intent of the TIFA board at that time was. Mr. Powers referenced page 30 of the original plan where it outlines only the "growth" in the tax base (the captured assessed value) in the Development District is used to finance the development plan, the taxing units continue to receive their full tax levy on the district tax base in existence at the adoption of the Development plan. In addition, any taxes generated by the captured assessed value beyond the amount required by the development plan are returned each year to the taxing unit. The Hart TIFA will capture revenues resulting only from real private investments such as remodeling's, additions, and new construction.
- Mary Lou Phillips - Oceana County Treasurer helped assist and dug into TIFA last year when she noticed excessive dollars being withheld by TIFA due to the taxing system not setup correctly. "I believe what happened in the past, the 1983 plan talked about just taking the gains and losses. Each year the assessor would get with the treasurer and give what the gains and losses were in the assessing program and that's what taxes would be captured on. Moving forward looking at 2017 for example TIFA captured based on 1.4 mil at that time capturing was City General Fund, Street Improvement and County Operating for summer, County Ambulance, Council on Aging, and Medical Care Facility Operating for winter. Total captured from the summer taxes was \$29,400 and winter was \$6,100.00, so roughly \$36,000 total, 2018 based on the gains/losses TIFA captured \$35,000 and 2019 TIFA captured \$40,000 based on that same formula. Moving forward to 2022 based on the new plan TIFA would capture from the County almost \$54,000, Ambulance almost \$8500, 911 (not captured in prior years) would be \$561.00, Council on aging \$9,000, MCFO \$19,000 and Veterans (not captured in prior years) \$940.00 totaling \$92,001.00 doubling prior years".
- There is supposed to be an annual report that TIFA sends out to all taxing jurisdictions on what was captured, what was spent and what was supposed to be refunded.
- Discussion upon the TIFA board regarding capturing from jurisdictions not being captured in the past went on to talk about how do you differentiate who you should or shouldn't capture from and how much to capture so the TIFA board thought it was better to capture from everyone according to the state statue and then look at case to case bases as they come forward.

TIFA 's plan on this revision is to set the base value back to where it was in 1983, because the base value should never have changed, with that being said TIFA can chose to capture whatever they'd like to and that's what the big question is tonight should TIFA capture what the state statue allows or should they under capture like they have been doing? The City attorney who specializes in municipal finance commented that he has not run into a TIFA that functions like ours to date. Not that we are doing it wrong or illegal it's just not traditional. TIFA has the ability to be extended, but the initial intent of a TIFA is to address certain issues, capture its tax revenue, make the changes, and it dissolves. So, this TIFA is also somewhat odd because it's been inexistence for 40 years. It's not the only one out there so again that is part of the idea for the revision.

With no further discussion F. Rybarz motioned to close the public hearing and supported by J. Evans

- Ayes: 4 Nays: 0 Absent: 3

**CONSENT AGENDA:**

- Approval of minutes from October 28<sup>th</sup>, 2021
- Bills, Claims, Payroll
- Reports of Boards, Commissions, and Committees
- Department Reports – Police/BioPure/Public Works/Energy/C&E Dvlp
  - A. Klotz motioned to approve Consent Agenda supported by J. Evans
    - Ayes: 4 Nays: 0 Absent: 3

**ACTION ITEMS:**

- Resolution 2021-78 Adopt Amended and Restated Development Plan and Tax Increment Finance Plan  
Whereas in 1983, The City Council of the City of Hart established the City of Hart Tax Increment Finance Authority ("TIFA") and the TIFA Board prepared, and the City Council subsequently approved a Development Plan and Financing Plan. (The "Original Plan") for the TIFA'S development district. (the "TIFA District") and the TIFA Board previously recommended, and the City Council previously approved, amendments to the Original Plan including amendments approved in 197,2012 and 2019 and Sections 303 and 317 of Act 57 of the Public Acts of Michigan of 2018, as amended ("Act 57"), provides that the City Council may amend the Original Plan and the TIFA Board has prepared and proposed additional amendments to the Original Plan (the "Amended Plan") and the City Council previously scheduled a public hearing on the Amended Plan as required by Act 57, and the City Clerk published a notice of public hearing in a newspaper of general circulation within the City twice prior to the public hearing, with the first publication of the notice published not less than 20 days and not more than 40 days prior to the time set for the public hearing , and a proof of publication of such notice was filed with the City Clerk, and the City Clerk not less than 20 days prior to the public hearing, provided written notice by first class mail of the public hearing, to property taxpayers within the TIFA District and, not less than 20 days before the public hearing by certified mail, to the governing body of each taxing jurisdiction that levies taxes subject to the capture if the Amended Plan is approved, and the City Council conducted a public hearing regarding the Amended Plan Ata meeting of the City Council held on November 9<sup>th</sup> 2021 at the Hart City Hall, 407 S State Street, Hart Mi 49420, at which any owner of real property within the TIFA District, any other resident or taxpayer of the City, and any affected taxing jurisdictions could appear and be heard regarding the Amended Plan and the economic implications of such plan, and at the public hearing, the City Council provided the fullest opportunity for expression of opinion, for argument on the merits, and for introduction of documentary evidence pertinent to the Amended Plan and following the public hearing and the consideration of input, the City Council finds that it is necessary and in the best interest of the public health, safety and welfare of the City and the TIFA District to approve revisions to the Amended Plan, and in such revised form, to adopt the revised "Amended and Restated Development Plan and Tax Financing Plan" for the TIFA (the "Amended and Restated Plan"), and the City Council desires to secure the benefits of efficient self-government and to promote and protect our common interests and welfare.

Now therefore be it resolved that the Hart City Council

- A. The City Council hereby determines that the Amended and Restated Plan is in compliance with requirements of Part 3 of Act 57 including, but not limited to, Section 313 and 318.
- B. The City Council hereby determines that the Amended Plan constitutes a public purpose.
- C. The City Council further finds and determines that: (1) the Amended and Restated Plan meets the requirements set forth in sections 316(2) and 313(1) of Act 57; (2) the proposed method of financing the development is feasible and the TIFA has the ability to arrange the financing; (3) the development is reasonable and necessary to carry out the purposes of Part 3 of Act 57; (4) the amount captured assessed value estimated to result from adopting of the Amended and Restated Plan is reasonable; (5) the land to be acquired within the development area, if any, is reasonably necessary to carry out the purposes of the Amended and Restated Plan and the purposes of Part 3 of Act 57; (6) the development plan set forth is the Amended and Restated Plan is in reasonable accord with the City's approved Master Plan; (7) public services, such as fire and police protection and utilities, are or will be adequate to service

the development area; and (8) any proposed changes in zoning, streets, street levels, intersections, and utilities set forth in the Amended and Restated Plan are reasonable necessary.

- D. The City Council hereby adopts and approves the Amended and Restated Plan for the TIFA.
- E. The City Clerk shall make and preserve a record of the Public Hearing, including all data presented at the Public Hearing. A copy of the Amended and Restated Plan is available for public inspection at the office of the City Clerk.
- F. All actions heretofore taken by City officials, employees, and agents with respect to the proposed Amended and Restated Plan and proceedings under Act 57 are hereby ratified and confirmed.
- G. Any and all resolutions that are in conflict with this Resolution are hereby repealed to the extent necessary to give this Resolution full force and effect.

Discussion amongst Council regarding TIFA Plan is to "The TIFA board put a lot of time and effort into this new plan" with that being said as long as we have the flexibility on what % to capture on a case-by-case bases.

- F. Rybarz motioned to approve Resolution 2021-78 with the understanding Council will revisit the plan before it goes into effect for 2022 tax season and supported by J. Evans.
    - Ayes: 4 Nays: 0 Absent: 3
- Resolution 2021-79 Accept Proposal from MERIT network and authorize City manager to sign 5-year internet service provider agreement.
 

Whereas, in 2011the Merit Network, Inc. (Ann Arbor Mi) constructed a 1000 Mbps fiber optic cable in West Michigan and routed the facility though the City of Hart, and Oceana County, and THE City of Hart established a fiber communications consortium with Hart City designated Lead Agency, and the existing services agreement with Merit expired on June 30, 2021 and should be renewed for 5-years to attain the maximum service discount and 100 Mbps bandwidth to accommodate actual usage; and in order to secure the benefits of efficient self-government and to promote and protect out common interests and welfare, the City Council hereby declares: Now therefore be it resolved that the Hart City Council, approves a 5-year 100 Mbps connection to Merit Network, Inc. Authorizes and directs the City Manager to sign the SERVICE AGREEMENT SCHEDULE on behalf of the City of Hart for 5-years and 100 Mbps bandwidth.

  - F. Rybarz motioned to approve Resolution 2021-79 and supported by J. Evans.
    - Ayes: 4 Nays: 0 Absent: 3
- Resolution 2021-80 Accept proposal from Fleis and Vanderbrink as engineer for the Safe Routes to School Grant Project and authorize City manager to sign related documents.
 

Whereas the Safe Routes to School program is federally funded, administered in Michigan by the Michigan Department of Transportation (MDOT); and the City of Hart is partnership with Hart Public Schools, the Pentwater-Hart Trail Committee and the Oceana County Road Commission, was proposed a grant through MDOT from the Safe Routes to School program to construct a multifunctional pedestrian/bicycling pathway, with improved street crossings, and signage to enable and encourage children to safely walk and bike to school; and the City requires an engineering firm to properly plan, deploy, and oversee the grant project and construction; and Fleis and Vanderbrink began preliminary engineering throughout the grant application process and are positioned to be the most efficient source of support on this project moving forward; and with the exception of the City of Hart's previous commitment of \$25,000 to the project all current and future engineering and construction costs will be paid by the Pentwater-Hart Trail Committee using Oceana County as a fiduciary partner expending other state and local funding sources; and in order to secure the benefits of efficient self-government and to promote and protect our common interests and welfare, the City Council hereby declares; Now therefore be it resolved that the Hart City Council accepts and approves the proposal form Fleis and Vanderbrink to provide design and construction engineering services for the Safe Routes to School grant project. Authorizes and directs the City Manager to sign and execute the proposal for an estimated fee of \$20,000 including expenses, n behalf of the City of Hart.

  - J. Evans motioned to approve Resolution 2021-80 and supported by F. Rybarz
    - Ayes: 4 Nays: 0 Absent: 3
- Resolution 2021-81 Accept professional services proposal from Prein and Newhof for Clean Water State Revolving Fund Implementation.
 

Whereas the City of Hart maintains drinking water and wastewater infrastructure and supplies those services to area residents and visitors; and it is necessary for the City to obtain a qualified engineering entity to properly

oversee the design and construction of this critical infrastructure; and a \$1,897,131 Sewer and Water Grant in 2019 that helped to identify several critical projects that required urgent attention to avoid future emergency repairs; and Prein and Newhof, has presented a plan to leverage State and Federal grant money with a combination of City cash reserves and Clean Water State Revolving Funding; and in order to secure the benefits of efficient self-government and to promote and protect our common interest and welfare, the City Council hereby declares;

Now therefore be it resolved that the Hart City Council accepts the proposal from Prein and Newhof to provide professional engineering services to assist the City with Clean Water State Revolving Fund projects beginning in FY 2022 with construction beginning in FY 2023.

Specific projects included in this proposal include Griswold Gravity Sewer Replacement, Griswold Lift Station Odor Control Improvements, Riverside Lift Station Replacement, BioPure Aeration and Biosolids Improvements, BioPure Polishing Pond Lift Station Rehabilitation, BioPure Headworks and Grit Removal, BioPure Rapid Infiltration Basin Improvements, and BioPure Lagoon 2,3 and 5 Berm Repairs at a not to exceed cost of \$444,200. And Authorizes the City Manager to sign and execute the proposed professional engineering services agreement.

- F. Rybarz motioned to table Resolution 2021-81 and supported by J. Evans.
  - Ayes: 4 Nays: 0 Absent: 3

- Resolution 2021-82 Authorize purchase of rotating assembly for BioPure RAS pump.

Whereas, the BioPure Department provides wastewater treatment services for area residents and businesses and ongoing continuous improvement efforts and maintenance are necessary to ensure continuous operation of the facility; and replacement parts that require advanced ordering should be obtained in a planned manner rather than emergency purchases; and to secure the best possible price for a replacement rotating assembly for BioPure pumps, a quote was sought directly from the pump manufacturer; and in order to secure the benefits of efficient self-government and to promote and protect our common interests and welfare, the City Council hereby declares;

Now therefore be it resolved that the Hart City Council accepts the manufacturer pricing of \$5,135 a T6A3S-B Rotating Assembly from Dubois-Cooper and directs the BioPure Superintendent to proceed with the purchase.

- J. Evans motioned to approve Resolution 2021-82 and supported by A. Klotz
  - Ayes: 4 Nays: 0 Absent: 3

- Resolution 2021-83 Accept proposals for realty services and award contractual work.

Whereas, in 2017, the City of Hart took possession and ownership of the Creeks Condominiums after many years of negotiating with the involved parties; and the City would like to move forward with development activities; and the City will utilize a real estate firm to assist the City with marketing and sales of available building sites; and the City advertised a request for proposal on line and directly invited members of the Mason Oceana Manistee Board of Realtors to submit proposals and the City Council desires to secure the benefits of efficient self-government and to promote and protect our common interests and welfare;

Now therefore be it resolved that the Hart City Council, accepts the proposal from Coldwell Banker Schmidt Family of Companies to provide real estate services to the City. Authorizes and directs the City Manager and City Attorney to enter into a listing agreement, set appropriate pricing, and execute related contractual documents.

- A. Klotz motioned to approve Resolution 2021-83 and supported by J. Evans
  - Ayes: 4 Nays: 0 Absent: 3

#### **DISCUSSION ITEMS:**

- Volunteer outreach effort – Diversity and Inclusion
- City employee community promotion

#### **CITY MANAGER'S REPORT:**

- City Manager R. Splane gave a copy of the Manager's report to all Council members to review.
- Holiday Parade is on Friday, November 26<sup>th</sup> at 6:30pm. We have secured the 1935 Chevrolet Fire Truck from the Hart Historic District. It should be a great addition to the parade. All council members, board and committee members, and City staff are encouraged to attend and show our City spirit!

- City Manager's 6-month evaluation is coming up and due on or about December 28<sup>th</sup>. A proposed evaluation form is in front of council tonight for review. Following any changes council would like, the evaluation can be distributed at the next meeting for the December review.
- Gray and Company has communicated that they are interested in leasing City property to the south of their current operations to be used for outdoor storage. This property is located on a Consumers Power easement with power lines running overhead. A letter from Dirk Williams, Director of Cherry Operations, is provided. Direction from council would be appreciated in the future on how the City would like to proceed.
- Paul Erickson is interested in selling property he owns in the Creeks subdivision in exchange for some sort of access to his orphaned property to the south of the Creeks Subdivision. Supplemental information is provided.

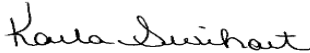
**COMMUNICATIONS FROM THE MAYOR AND COUNCIL:**

- Happy Veterans Day on Thursday November 11<sup>th</sup>, 2021
- TIFA Board Appointment – Deborah Windell
- Hart Area Public Library Appointment – Amanda Klotz

**ADJOURN:**

- There being no further business to come before the Council, the meeting adjourned at 9:00 pm upon a motion by V. Platt and supported by J. Evans. The next regularly scheduled meeting will be on November 23<sup>rd</sup>, 2021, at 7:30 pm.

Respectfully Submitted



Karla Swihart, City Clerk